

Members

Sen. Becky Skillman, Chairperson
Sen. Steve Johnson
Sen. Mark Blade
Sen. Rose Antich
Rep. Tiny Adams
Rep. Peggy Welch
Rep. Gloria Goeglein
Rep. Matthew Whetstone
Thomas Rethlake
Frank Fritch
Richard Jones
Vernon Jewell
Doug Lechner
Raymond Lueken
Garland Ferrell
Kelly M. Thompson
Jean Lushin
Timothy Skinner
Al Dillon
William Mansard
John Catey



COUNTY GOVERNMENT STUDY COMMISSION

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Authority: P.L. 28-2001 (HEA 1629)

MEETING MINUTES¹

Meeting Date: October 16, 2001
Meeting Time: 1:30 P.M.
Meeting Place: State House, 200 W. Washington St.,
Room 233
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Sen. Becky Skillman, Chairperson; Sen. Steve Johnson; Sen. Mark Blade; Sen. Rose Antich; Rep. Tiny Adams; Rep. Peggy Welch; Rep. Gloria Goeglein; Thomas Rethlake; Frank Fritch; Richard Jones; Vernon Jewell; Garland Ferrell; Kelly M. Thompson; Jean Lushin; Timothy Skinner; Al Dillon; William Mansard.

Members Absent: Rep. Matthew Whetstone; John Catey; Raymond Lueken; Doug Lechner.

At 1:40 p.m. October 16, 2001, Chairperson Becky Skillman called the third meeting of the County Government Study Commission to order. Senator Skillman had the members attending introduce themselves to the audience. Senator Skillman then briefly laid out the agenda for the Commission listing four preliminary drafts and one draft legislation prepared by the Legislative Services Agency for the Commission to consider and recommend for further action. The Chair reminded the Commission members that this meeting would be the final meeting and that review and adoption of the final report of the Commission would be required.

Chairperson Skillman introduced P.D. 3258 regarding Public Employment Retirement Fund (PERF) vesting for county elected officials (Exhibit A). Legislative Services Agency Senior

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Fiscal Analyst James Sperlik distributed and briefly explained the fiscal impact statement prepared for P.D. 3258 (Exhibit B). Mr. Sperlik iterated via questioning of Commission members that in order to enter into PERF, the county must take action. Specifically, the county council would be required to take action to enter the county's public employees into PERF.

Further discussion and testimony ensued. Questions arose from the Commission discussion if the impact could grow over time. Mr. Sperlik responded that was certainly possible. Senator Steve Johnson indicated that a small number of local elected officials in PERF would be affected by the proposal. Mr. Sperlik responded that only 334 people out of 90,000 plus employees in PERF would be affected by this proposal, or 0.03%.

Commission member Al Dillon moved to adopt P.D. 3258. Commission member Jean Lushin seconded the motion. A show of hands was called by Chairperson Skillman for those in favor of adopting P.D. 3258. P.D. 3258 was adopted 17-0.

Chairperson Skillman next introduced P.D. 3265 regarding county corrections districts (Exhibit C). The Chair informed the Commission that, although asked to attend to provide expert testimony, the Indiana Department of Corrections would not be able to come forward to present testimony during the meeting. Vice Chairperson Peggy Welch, upon completion of the introduction of P.D. 3265, asked how this proposal would affect property taxes on the local government level. Representative Welch referred to Mr. David Bottorff, representing the Association of Indiana Counties, to follow up.

David Bottorff, Association of Indiana Counties

Mr Bottorff indicated it was the intent of the counties and the proposal to join together in order to save property tax dollars and keep the current levy. It was not the intent to increase property tax dollars, but to encourage county savings by bringing counties together to share costs. Mr. Bottorff continued by listing two areas where several counties are discussing the option of developing a corrections district.

Chairperson Skillman reminded the Commission members that the county corrections district proposal was due in part to the Commission's past recommendation from the Coalition on Monitoring Public Efficiency and Tax Expenditures (C.O.M.P.E.T.E) Project.

Representative Welch raised concerns that county correction districts could become similar to fire districts with respect to double dipping.

Garland Ferrell responded that, given the nature of how corrections expenditures occur now, each county pays for required expenditures within its boundaries, how could savings not occur where counties together could split costs. He stressed that the proposal has received his support in the past, and he would continue to support it.

Upon the end of further discussion, Representative Tiny Adams, Commission member, moved for adoption of P.D. 3265. The motion was seconded. A show of hands was called by Chairperson Skillman for those in favor of adopting P.D. 3265. The P.D. was adopted 17-0.

Chairperson Skillman next introduced H.J. 9201 concerning holdover offices (Exhibit D). She recapped the discussion and history of these offices from the previous two meetings. In order to pass to a ballot referendum, Chairperson Skillman indicated the joint resolution must pass two consecutive sessions of the General Assembly. Chairperson Skillman introduced Mr. James Jett of the Legislative Services Agency and Staff Attorney for the Commission to discuss a memorandum he prepared concerning this topic. The memorandum (Exhibit E) detailed historical case reference with regard to the origins of the holdover office. Mr. Jett's presentation provided historical detail on case law from the 1850's. He discussed a specific case in 1887

addressing the issue of holdover offices. In conclusion, Mr. Jett iterated that a constitutional amendment would be required to change holdover offices.

Following the conclusion of Mr. Jett's presentation, discussion among Commission members ensued. Mr. Bottorff of the Association of Indiana Counties urged adoption of the resolution. Representative Tiny Adams moved to recommend adoption of the resolution. Representative Peggy Welch seconded. A show of hands was called by Chairperson Skillman for Commission members in favor of recommending adoption of the resolution. By a count of 17-0, the resolution was adopted.

The Commission next discussed P.D. 3259 regarding county employee positions (Exhibit F). Upon introduction by Chairperson Skillman, discussion ensued among the Commission members. Part of the discussion centered upon which body, either the county council or the county commissioner, has responsibility for establishing personnel policy in a county. Mr. Frank Fritsh, Commission member, indicated that in 86 counties in Indiana, the sheriff deputies were considered merit employees of the sheriff department and only relied on the county for payment. Mr. Ferrell indicated that one body or the other should assume the duties of setting personnel policy in the county. He continued that there was no further need for two bodies to do what one body should do.

Chairperson Skillman indicated that in P.D. 3259, since Lake County and St. Joseph County were different from other counties, they were excluded in the draft. Senator Mark Blade questioned why these two counties were not included. He asked if their fiscal and legislative bodies were the same. Staff Attorney Jim Jett responded that was correct, and the draft changes the guidelines for all counties except Lake and St. Joseph counties.

Mr. Vernon Jewell, Commission member, indicated operation of the county must go through the two bodies. Otherwise, it would be too difficult to work in a single body fashion. Further discussion ensued.

Representative Welch asked Mr. Bottorff if most counties already have personnel policies in place. Mr. Bottorff indicated most counties do have personnel policies in place; however, some counties rely on outside help to determine employee classifications.

Commission Member Tim Skinner briefly listed an example of how Vigo County is currently set up. Mr. Tom Rethlake also provided an example. Discussion continued among Commission members. It was mentioned that many of the examples provided were fine to describe; however, these examples are not in line with current statute, which is part of the problem. A language change from "legislative body" on page two, line four, was suggested. At this point, Mr. Skinner wished to have the authority placed with the county council.

After further discussion, the Commission decided, by hand vote, to table P.D. 3259.

The following draft, 20021299.001 regarding assessment notices (Exhibit G), was introduced by Senator Skillman. Senator Skillman recognized Senator Steve Johnson to go through the draft with the Commission. Senator Johnson, in describing the draft, mentioned two reasons for the proposed draft: 1) Most citizens in Indiana do not understand the assessing system. 2) The draft would provide an opportunity to homeowners to look at their property and how it is assessed. The mailing of the notices would put the onus on the taxpayer to self-check and make sure their assessment is correct. Senator Johnson continued that the property owner would be educated as a result. However, Senator Johnson indicated the property owner would not be assessing their own property to determine assessed valuation (AV), but would be able to visually check the property against the assessment.

Following the introduction of the draft, Chairperson Skillman stated her concern to the Commission that a proposal such as this may open a new field for tax consultants. Further discussion among the Commission ensued.

Legislative Services Agency Senior Fiscal Analyst Robert Sigalow handed out a memorandum to the Commission members (Exhibit H) detailing the fiscal impact of the proposal.

Upon the completion of the fiscal impact analysis by Mr. Sigalow, Chairperson Skillman asked for public testimony.

Steve Buschmann, representing the Township Assessor's Association

Mr. Buschmann testified to concerns he had about the draft (Exhibit G). First, he indicated that the proposal would generate a double mailing. Mr. Buschmann suggested that, when sending out form 11s, to also send the property tax record card as an alternative to mailing assessment notices. He indicated that additional mailings are not necessary for particularly minor problems with the taxpayer's assessment. The current system is satisfactory, as the taxpayer can go to their township assessor and fix the problem. Mr. Buschmann finally suggested that if the proposal was introduced, it would be better to go with a single uniform date of mailing because the multiple dates in the proposed draft would be a nightmare for the assessor and confusing to the taxpayer.

Paul Ricketts, Lawrence Township Assessor (Marion County)

Mr. Ricketts testified that the proposal could present between \$1,200 to \$1,300 of extra expenses for double mailings by assessors. Mr. Ricketts also indicated the difficulty that assessors would face sending out the additional mailings (in Mr. Ricketts' case approximately 40,000) over a thirty- to sixty-day time frame. He mentioned with the addition of the neighborhood market index, two forms being sent to the taxpayers will be confusing. Mr. Ricketts concluded his testimony by saying most homeowners do not care about the contents on the property tax card; they care about the dollar amount on the bill.

Katrina Hall, representing Farm Bureau Insurance

Ms. Hall suggested that there was a need to work down to a more efficient system on this issue. Given that information is available currently, she questioned if the information available is presented in a manner that is accurate and understandable to the taxpayer. Ms. Hall suggested keeping the proposed form simple. She did not believe the proposal would be part of the upcoming reassessment, but in the future such a proposal could eliminate the need of additional hearings on disputed assessments.

David Bottorff, representing the Association of Indiana Counties

Mr. Bottorff testified that the proposed draft would be difficult to carry out. He offered an example of the Vanderburgh County Assessor's Office which has placed property tax card information on the Internet.

Upon conclusion of public testimony, Chairperson Skillman asked for the will of the Commission on the proposed draft. After discussion, it was determined that no action would be taken on the draft for the 2001 interim. The Commission did agree to have placed in the final report a statement indicating that the concept of the draft was interesting and to hold the concept for future consideration by the Commission. The Commission members agreed to this conclusion by a unanimous hand vote.

Chairperson Skillman informed the Commission and the public in attendance, that the Intergovernmental Relations Committee would continue to debate county government issues once the County Government Study Commission had completed hearings for the 2001 interim. She listed the upcoming dates and meeting locations for the Intergovernmental Relations

Committee.

Chairperson Skillman then directed the Commission's attention to the draft of the final report of the County Government Study Commission for the 2001 interim (Exhibit I). After review, a show of hands was called by Chairperson Skillman by those in favor of adopting the final report. By unanimous vote, the final report was adopted.

There being no further business brought before the Commission, Chairperson Skillman adjourned the final meeting of the County Government Study Commission for the 2001 interim at 3:35 p.m.